



The Impact of Coronavirus On Solar Installers & The Economy

@Soligent

Assistance in the time of COVID-19

March 18th 2020

Confidential

Disclaimer



Only Our Opinion, Not Advice *In This Environment, Information Ages Quickly*

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Agenda

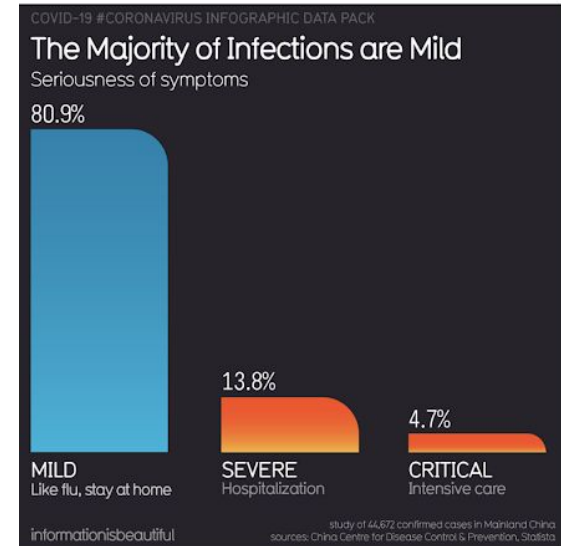
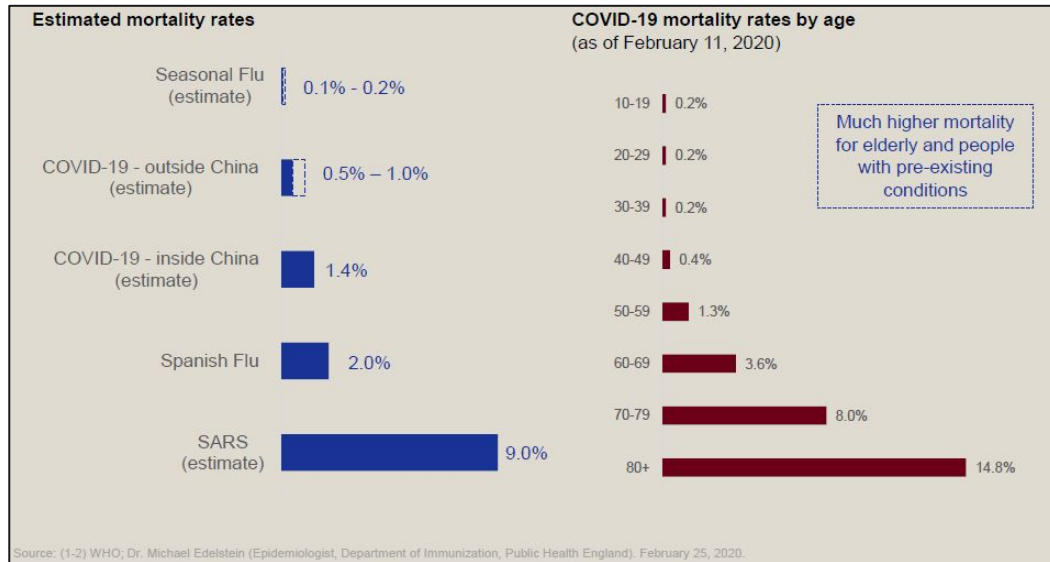
1. The Economy Going Forward
2. How To Manage Cash Flows in Uncertain Times
3. Sales Tactics During Difficult Times
4. Business Loans | Where To Get Them Quickly
5. How to Support Your Employees/Contractors



The Economy Going Forward

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Coronavirus Will Impact Age Brackets Differently



- Cases requiring ICU care = 1-2%
- Cases requiring ventilatory support = 1%
- CFR = 0.5%

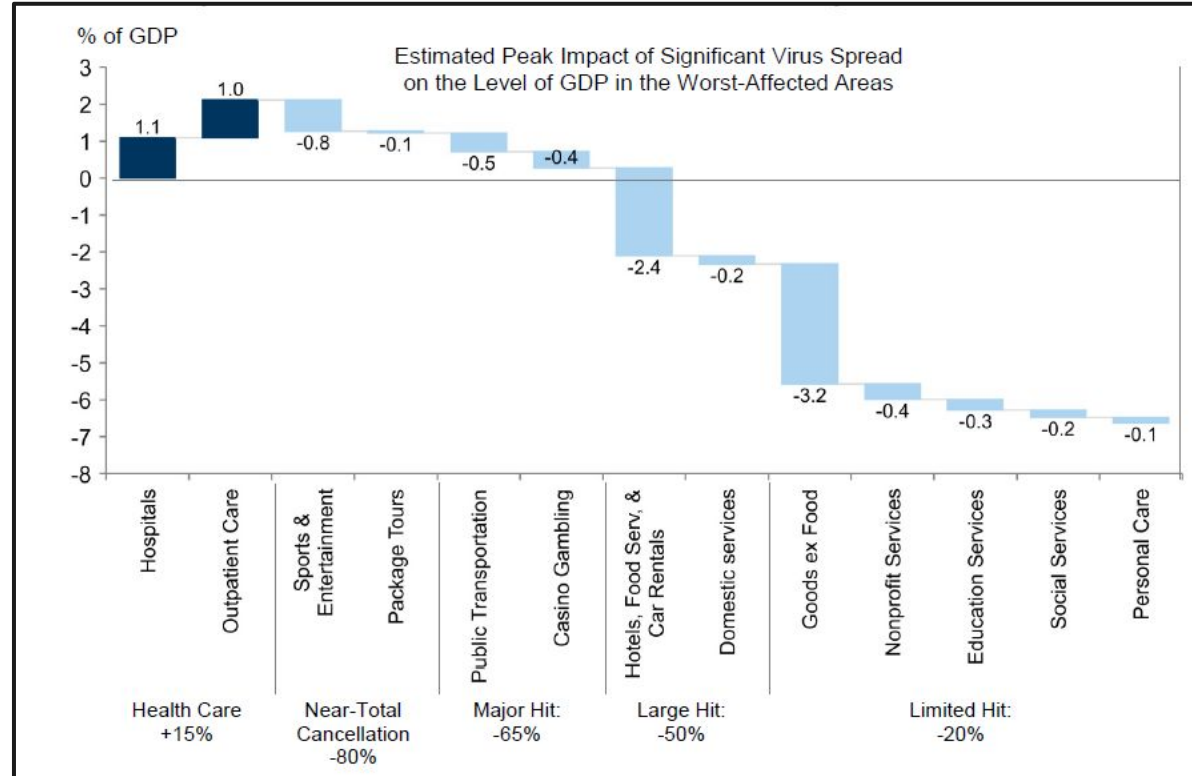
Social Distancing Saves Lives



1. **Treat yourself as if you are sick** and ask those around you too as well
2. **Don't touch your face**, no handshakes, etc
3. **Wash hands** before eating and watch out for touching infected surfaces
4. **Clothes can be dirty...Wash close** and leave shoes at the door

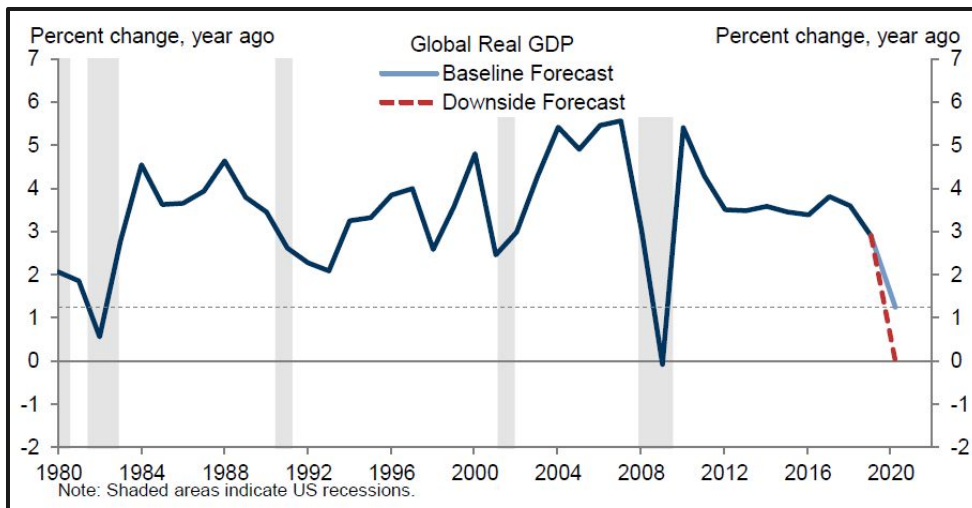
CV And Social Distancing Drastically Impacts The Economy

1. Seeing a downturn in pieces helps to understand the bigger picture and trends.
2. When travel stops, so do the millions of jobs further driving longer term GDP declines.
3. Putting money into the economy has constraints and is akin to putting out a house fire with a garden hose... you may have a lot of water, but it can only get to the problem so fast.



A Worldwide Economic Recession & Struggling US Is Here

Global Recessions Over Time




Potential U.S. Scenarios

US 2020 real GDP growth: Scenarios

%q/q saar	Pre-COVID-19	Mild	Medium (baseline)	Heavy
Q1	1.5	1.5	1.5	1.5
Q2	2.0	-1.0	-3.0	-4.0
Q3	2.5	2.0	0.5	-3.0
Q4	2.0	2.0	2.0	1.5
Q4/Q4	2.0	1.1	0.3	-1.0
2020 (%y/y)	2.0	1.3	0.8	0.1


- Our views are a recession in the US and a very slow recovery but we remain more aggressive than the banks
- Prior estimate with expectation of updates as things change was ...
- A Different Bank's Views: **2020 GDP forecast to +0.4%** (0% in Q1, -5% in Q2, +3% in Q3, +4% in Q4)
- We remain strong on solar & storage long term due to its value proposition of a real ROI compared to all other things



How To Manage Cash Flows In Uncertain Times

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Cash Is King In Uncertainty, Make Teams & Plan

- 
1. Do you have a plan?
 2. Have you completed scenario analysis?
 3. How long can you support your business if business stops for 2 months?
 4. What is your counterparty risk on getting paid?
 5. Are you ready to take advantage of the current or future opportunities as they come?
 6. How are you managing your costs? Headcount, trucks?

1 Protect employees

- ☐ Follow the most conservative guidelines available from leading global and local health authorities (eg, CDC, WHO)
- ☐ Communicate with employees frequently and with the right specificity; support any affected employees per health guidance
- ☐ Benchmark your efforts (eg, some companies have started to curb nonessential travel)

2 Set up cross-functional response team

- ☐ Overall lead should be at the CEO or CEO-1 level; team should be cross-functional and dedicated
- ☐ Create 5 workstreams: a) employees; b) financial stress-testing and contingency plan; c) supply chain; d) marketing and sales; e) other relevant constituencies
- ☐ Define specific, rolling 48-hour and 1-week goals for each workstream based on planning scenario
- ☐ Ensure a simple but well managed operating cadence and discipline that's output and decision focused. Low tolerance for "meetings for the sake of meetings"
- ☐ Present minimum viable products: a) rolling 6-week calendar of milestones; b) 1-page plans for each workstream; c) dashboard of progress and triggers; d) threat map

3 Test for stress, ensure liquidity, and build a contingency plan

- ☐ Define scenarios that are tailored to the company. Identify planning scenario
- ☐ Identify variables that will affect revenue and cost. For each scenario, define input numbers for each variable through analytics and expert input
- ☐ Model cash flow, P&L, and balance sheet in each scenario; identify input-variable triggers that could drive significant liquidity events (including breach of covenants)
- ☐ Identify trigger-based moves to stabilize organization in each scenario (A/P, A/R optimization; cost reduction; portfolio optimization through divestments, M&A)

4 Stabilize the supply chain

- ☐ Define extent and timing of exposure to areas that are experiencing community transmission (tier-1, -2, -3 suppliers; inventory levels)
- ☐ Immediate stabilization (ration critical parts, optimize alternatives, prebook rail/air-freight capacity, use after-sales stock as bridge, increase priority in supplier production, support supplier restart)
- ☐ Medium/longer-term stabilization (updated demand planning and network optimization—solve for cash, accelerate qualification for alternative suppliers, drive resilience in supply chain)

5 Stay close to customers

- ☐ Immediate stabilization (inventory planning, near-term pricing changes, discounts)
- ☐ Medium/longer-term stabilization (investment and microtargeting for priority segments with long-term growth)

6 Practice plan with top team through in-depth tabletop exercise

- ☐ Define activation protocol for different phases of response (eg, contingency planning only, full-scale response, other)
- ☐ Key considerations: clarity on decision owner (ideally a single leader), roles for each top-team member, "elephant in room" that may slow response, actions and investment needed to carry out plan

7 Demonstrate purpose

- ☐ Support epidemic efforts where possible

You Can Turn Your Business On If Quarantined When..



If **your business provides** power services or monitoring, provides storage to at need homes, provides energy infrastructure, or provides other services that could fit, you may be able to continue to operate in a quarantine or a mandatory stay at home requirement

In many parts of the United States, you are or will potentially soon have to be an essential business. Essentially businesses, depending on the jurisdiction that is closed, shortly have to “provide any services or perform any work necessary to the operations and maintenance of “Essential Infrastructure,”

- including, but not limited to **public works construction**, construction of **housing** (in particular affordable housing or housing for individuals experiencing homelessness), airport operations, water, sewer, gas, **electrical**, oil refining, solid waste collections,”

Employee Example Letter For Essential Businesses



To whom it may concern,

XXXXXX serves as an essential business during Shelter-in-place orders that are in effect. Per the Shelter-in-place order, individuals may leave their residence to provide any services or perform any work necessary to the operations and maintenance of “Essential Infrastructure” or to maintain “essential operation of residences,” including electrical home improvement, emergency power, and utility infrastructure. XXXXX enables electrical contractors to complete jobs they have begun for essential home construction, as well as supports critical need power and infrastructure, and my job cannot be done remotely.

Please reach out to XXXX’s Director of HR with any questions or concerns:

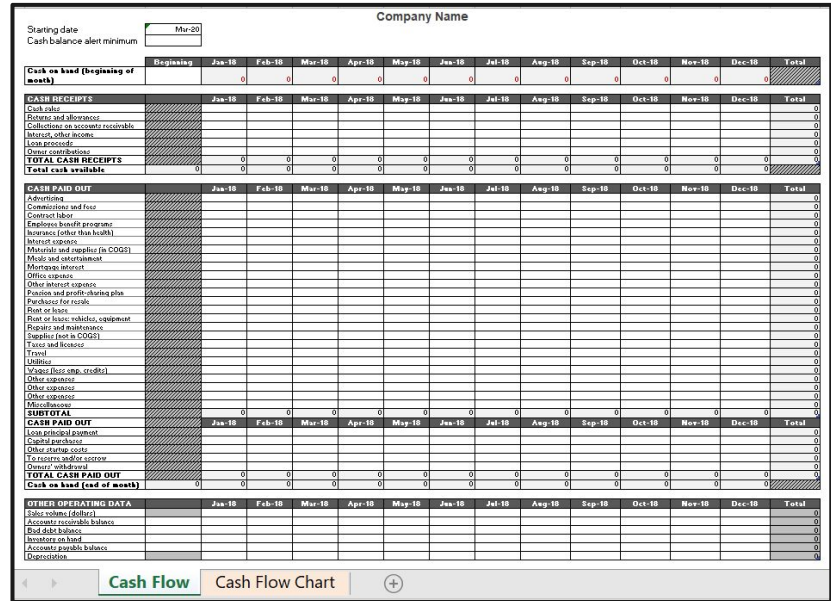
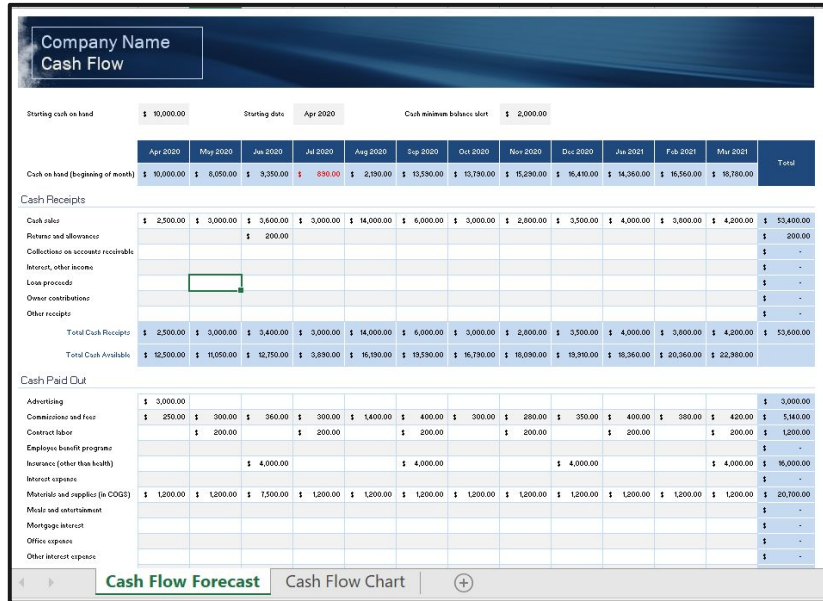
XXXXXX
000-000-0000
Email...

Sincerely,

XXXXXXXXX
CEO

Example Only
Different By Jurisdiction

Modeling Your Cash Flow is Key, It Shows You Your Future



[Link Example Model 1](#), [Link Example Model 2](#) (disclaimer, we have not tested these models, they are examples)



Sales Tactics During Difficult Times


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Selling In The Era Of Social Distancing

1. Contact:

- a. They Are Home
- b. You weren't top of mind

2. Pitch:

- a. Overcoming fear and recession
- b. Security, Control, Savings (best ROI)
- c. Power Bill with everyone home is 

3. Close:

- a. Moving Virtual (Zoom, G Suite Hangouts, etc)
- b. Sitting less but longer (higher close)





Business Loans | Where To Get Them Quickly

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A List ([Click Here](#)) of Know Disaster Relief Loan Programs By State

Also look at **Paypal rapid** Small Business Loan ([Click Here](#)) and search for others online

The US SBA Offers Economic Injury Disaster Loans



- The SBA can provide **up to \$2 million** to help meet financial obligations of small businesses and operating expenses that could have been met had the disaster not occurred.
- The **interest rate will not exceed 4% per year**, and the **loan term will not exceed 30 years**. The repayment term will be determined by the ability of the business to repay the loan.
- Economic Injury Disaster Loans (EIDL) assistance is available only to small businesses when SBA determines they are unable to obtain credit elsewhere.
- A business may qualify for both an EIDL and a physical disaster loan. The maximum combined loan amount is \$2 million.

How to Apply

- You can apply online for an SBA disaster assistance loan.
- You must submit the completed loan application and a signed and dated IRS Form 4506-T giving permission for the IRS to provide SBA your tax return information.
- For information, contact the SBA disaster assistance customer service center. Call 1-800-659-2955 or e-mail disastercustomerservice@sba.gov

Sources:
<https://disasterloan.sba.gov/ela/Information/EIDLloans>
<https://disasterloan.sba.gov/ela/Declarations/DeclarationDetails?declNumber=6062932&direct=false>
[List by state/city of programs - updated as found \(Click Here\)](#)

Cities Like San Francisco Office of Economic and Workforce Development Provide Small Business Relief Program

- **Deferral of Business Taxes and Licensing Fees**
 - Payment of taxes for Q1 of 2020 can be deferred until February 2021. The collection of fees for business licenses and permits that make up the Unified Licence Bill will be delayed for three months.
- **Provide Immediate Relief**
 - Micro Businesses can access emergency grants of up to \$10,000, provided that they have proof of loss of revenue.
- **Seek State and Federal Support**
 - The City is seeking regulatory relief from both state and federal government around employment benefits, including unemployment, sick leave, disability, and other matters.
- **Private Sector and Philanthropic Support**
 - The City is working with private sector financial partners and philanthropic organizations to identify resources, provide credit and lending flexibility, and offer direct financial support.

Other States & Program Links:
[Colorado](#), [Texas](#), [New Jersey](#), [California](#),
[Other States](#)

For more information, call the Office of Small Business at (415) 554-6134

Source: oewd.org

Congress Is Pushing Forward With Further Support



- 1. Small Business Loans:** The SBA to issue about \$7bn in disaster loans
- 2. Payroll Tax Cuts:** Suggested as part of the stimulus package in congress (estimated 2% benefit to employees; \$150bn to households per year)
- 3. Tax Rebates:** Arguments for \$1,000 per adult and \$500 per child
- 4. Targeted Corporate Tax Cuts:** Focused on specific industries etc though this is potentially changing to larger packages
- 5. Paid Sick Leave & Unemployment insurance:** As discussed earlier
- 6. Medicaid expansion:** Covering more people
- 7. Infrastructure:** Potential but not likely
- 8. Delay April 15 Tax Deadline:** Lower stresses



How to Support Your Employees/Contractors And Support Your Business

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The Federal Government Is Expected To Launch H.R. 6201, To Support Paid Leave

Emergency Paid Leave Act of 2020

- Creates an “emergency leave day” as a day in which an individual is unable to work due to one of four qualifying reasons related to COVID-19 (care for yourself or others who are diagnosed or quarantined).

Emergency Unemployment Insurance Stabilization and Access Act of 2020

- Provides \$1 billion in 2020 for emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits, under certain conditions.

Paid Sick Days for Public Health Emergencies & Personal and Family Care Act

- Requires all employers to allow employees to gradually accrue 7 days of paid sick leave and to provide an **additional 14 days available immediately**.
- Ensures paid sick leave **covers days when your child’s school or employer is closed** due to a public health emergency or if you or a family member is quarantined or isolated due to a public health emergency.

Each State Has Other Benefits, CA & Federal In A Disaster

Program	Why	What	Benefits	More Info	How to File
Disability Insurance	If you're unable to work due to medical quarantine or illness related to COVID-19 (certified by a medical professional)	Short-term benefit payments to eligible workers who have a full or partial loss of wages due to a non-work-related illness, injury, or pregnancy.	Approximately 60-70 percent of wages (depending on income); ranges from \$50-\$1,300 a week for up to 52 weeks.	Learn more about your eligibility for Disability Insurance	File a Disability Insurance claim
Paid Family Leave	If you're unable to work because you are caring for an ill or quarantined family member with COVID-19 (certified by a medical professional)	Up to six weeks of benefit payments to eligible workers who have a full or partial loss of wages because they need time off work to care for a seriously ill family member.	Approximately 60-70 percent of wages (depending on income); ranges from \$50-\$1,300 a week for up to 6 weeks.	Learn more about your eligibility for Paid Family Leave	File a Paid Family Leave claim
Unemployment Insurance	If you have lost your job or have had your hours reduced for reasons related to COVID-19	Partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own.	Range from \$40-\$450 per week for up to 26 weeks.	Learn more about your eligibility for Unemployment Insurance	File an Unemployment Insurance claim
Paid Sick Leave	If you or a family member are sick or for preventative care when civil authorities recommend quarantine	The leave you have accumulated or your employer has provided to you under the Paid Sick Leave law.	Paid to you at your regular rate of pay or an average based on the past 90 days.	Learn more about your eligibility for Paid Sick Leave	If accrued sick leave is denied, file a Wage claim
Workers' Compensation	If you are unable to do your usual job because you were exposed to and contracted COVID-19 during the regular course of your work, you may be eligible for workers' compensation benefits.	Benefits include temporary disability (TD) payments, which begin when your doctor says you can't do your usual work for more than three days or you are hospitalized overnight. You may be entitled to TD for up to 104 weeks. TD stops when either you return to work, your doctor releases you for work, or your doctor says your illness has improved as much as it's going to.	TD generally pays two-thirds of the gross wages you lose while you are recovering from a work-related illness or injury, up to maximum weekly amount set by law. In addition, eligible employees are entitled to medical treatment and additional payments if a doctor determines you suffered a permanent disability because of the illness.	Learn more about your eligibility for Workers' Compensation benefits	File a Workers' Compensation claim

Warning, this is our opinion and not advice, third party source

Prioritize Your Employees With Communication



1. Employee health and safety as the top priority

- Follow advised precautions and provide supplies (social distancing, hygiene, etc.)
- Prevent anyone sick or with a sick household member from coming to work
- HR and/or the employee's manager should stay in touch with anyone who has reported an illness
- Implement necessary visitor and travel restrictions to ensure optimal safety

2. Communication is key

- Assign a team, or at least a person, to monitor and announce updates
- Frequent communication is crucial, but not too much to overload employees and create distractions.
 - Communicate information they should be aware of related to updates and health advisories and any actions being taken by the company
- Have some type of emergency alert system in place and ensure that you have updated contact information for your employees
- If possible, keep all-company meetings as scheduled and implement additional check-ins as needed

3. Implement work from home practices where possible

- Keep people and teams connected through technology like shared docs, zoom, skype, chats, etc.
- Refer to best-practices for working remotely (see appendix)



Questions?

Would you like to join a group with your peers to continue this conversation and talk through how you can grow your business and the economic weathering of the storm?

[Link](#) To The Form To Join The Group

Appendix



Emergency Paid Leave Act of 2020

- Details of the Benefits
 - Employees will receive a benefit for a month (up to 3 months) in which they must take 14 or more days of leave from their work due to valid COVID-19-related reasons.
 - Sick leaves, paid time offs, and unemployment benefits will not be counted as leave days for this benefit.
 - Benefit amount: Two-thirds of the individual's average monthly earnings up to a cap of \$4,000.00
 - Program and benefit period: The benefits will be available for leave that occurs from January 19, 2020 (the date of the first U.S. COVID-19 diagnosis) through one year after the bill's enactment.
- How to apply
 - Application: Applications will be taken online, by phone, or by mail. Individuals will not visit SSA field offices to apply. Payments will in most cases be issued electronically.
 - Visit <https://www.ssa.gov/coronavirus/> for more information.



Emergency Paid Leave Act of 2020

- Qualifying Reasons
 - The employee has a current diagnosis of COVID-19.
 - The employee is quarantined (including self-imposed quarantine), at the instruction of a healthcare provider, employer, or government official, to prevent the spread of COVID19.
 - The employee is caring for another person who has COVID-19 or who is under a quarantine related to COVID-19.
 - The employee is caring for a child or other individual who is unable to care for themselves due to the COVID-19-related closing of their school, child care facility, or other care program.
- Eligibility
 - Individual must already be employed 30 days before work was impacted by COVID-19.



Paid Sick Days for Public Health Emergencies & Personal and Family Care Act

- Requires all employers to allow employees to gradually accrue 7 days of paid sick leave and to provide an additional 14 days available immediately in the event of any public health emergency, including the current coronavirus crisis.
- Requires all employers to provide an additional 14 days of paid sick leave, available immediately at the beginning of a public health emergency, including the current coronavirus crisis.
- Ensures paid sick leave covers days when your child's school is closed due to a public health emergency, when your employer is closed due to public health emergency, or if you or a family member is quarantined or isolated due to a public health emergency



Paid Sick Days for Public Health Emergencies & Personal and Family Care Act

- Reimburses small businesses—defined as businesses with 50 or fewer employees—for the costs of providing the 14 days of additional paid sick leave used by employees during a public health emergency.
- Enables construction employees to receive sick pay based on hours they work for multiple contractors.
- Makes the bill effective immediately so that employees in areas covered under a qualifying Public Health Emergency, upon the date of enactment, can take 14 days of paid sick leave in order to address COVID-19.

Some Third Party Information (CA Specific)



- The first is a document with information from the CA Labor & Workforce Development Agency that outlines all of the state programs available and how they may help during this time. The Governor also announced that the State is waiving the 1-week required waiting period for SDI & Unemployment Benefits. Here's the link as well: <https://www.labor.ca.gov/coronavirus2019/#chart>
- The second document we can send over is a **Client Alert** that was developed for our clients by the law firm of Marathas, Barrow, Weatherhead & Lent LLP. The States and the Federal Government have issued (or re-issued) guidance for employers in response to the COVID-19 pandemic. This alert covers relevant parts of that guidance as well as provides additional links to resources.
- https://edd.ca.gov/about_edd/coronavirus-2019/faqs.htm link is also be a very valuable resource for questions you might have. These answers will help you understand options to consider when having to cut business hours or reduce work hours. It also provides guidance for employees as well. They have an FAQ on the enhanced unemployment benefits available for your employees as well. Specifically, here just a few of the employer related questions they answer:
- **What can I do if my business has slowed due to COVID-19?** If COVID-19 has impacted your business or services, you can avoid potential layoffs by participating in the Unemployment Insurance (UI) Work Sharing Program. This program allows you to retain your workers by reducing their hours and wages no more than 60 percent and partially offsetting the wage loss with UI benefits. This helps you avoid the cost of recruiting, hiring, and training new workers and helps your workers keep their jobs and receive some

Some Third Party Information (CA Specific)

What if I have to let go of some of my workers temporarily until business improves?

Your workers can [file for unemployment benefits](#) as long as they are unemployed and otherwise eligible. Workers who expect to return to work for you within a few weeks are not required to actively seek work each week as long as they are able and available to return to work during their unemployment and meet all other eligibility criteria. The EDD will explain the requirements to your workers when they apply for benefits.

What can I do if I have to shut down my business permanently?

If you are facing potential layoffs or plant closures, you can get help through the Rapid Response program. Rapid Response teams will meet with you to discuss your needs, help avoid layoffs where possible, and support your workers through the process. Services can include upgrades to current worker skills, customized training, career counseling, job search assistance, help with filing unemployment insurance claims, and information about education and training opportunities. For more information, refer to [Rapid Response Services for Businesses Fact Sheet \(DE 87144RRB\) \(PDF\)](#). You can also contact your local [America's Job Center of California](#) for more information about available Rapid Response services.

What if I can't file or pay my payroll taxes on time because of COVID-19?

With the [Governor's emergency declaration](#), if your business is directly affected by COVID-19, you can request up to a 60-day extension to file your state payroll reports and deposit state payroll taxes without penalty or interest. The written request for extension, noting the impact of COVID-19, must be received within 60 days from the original delinquent date of the payment or return. For the address to send the request, along with other information, please see the [State of Emergency or Disaster Fact Sheet \(DE 231SED\) \(PDF\)](#).

You can also call the EDD Taxpayer Assistance Center with any questions you may have about your payroll tax responsibilities.

1. Toll-free from the U.S. or Canada: 1-888-745-3886
2. Hearing impaired (TTY): 1-800-547-9565
3. Outside the U.S. or Canada: 1-916-464-3502

What can I do to protect my workers from COVID-19?

The [Centers for Disease Control and Prevention Guidance for Business and Employers](#) includes basic precautions like proper handwashing and cleaning, as well as making sure your sick leave policies are flexible and consistent with public health guidance. Visit [Cal/OSHA Guidance on Coronavirus](#) to learn more about workplace requirements

Employee Actions related resources (HR)



The following are good resources for HR professionals to stay informed and gather information to share with their teams.

- [SHRM](#) HR Resources and Guidance
- [H.R.6201](#) - Families First Coronavirus Response Act
- [McKinsey](#) Business Impact
- [Coronavirus for HR and Remote Work Resource Compilation](#)

Some Links On Coronavirus



- McKinsey [Crisis Management](#)
- McKinsey on [COVID-19](#)
- Good Analysis & How To Think On This: Tomas Pauyo's [page](#).
- Leading Minute by Minute Updated Research For Doctors: [Coronavirus Tech Handbook](#) & [COVID-19 Readings](#) (open sourced Google docs for scholars, researchers, data scientists, and medical personnel. It links out to models, information, and more about the spread of COVID-19. In addition, this is a good [COVID-19 dashboard](#) and the John Hopkins case dashboard [tracker](#).

Below are five links pertaining specifically to the COVID-19 Virus:

- <https://www.osha.gov/SLTC/covid-19/standards.html>
- <https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/guidance-business-response.html>
- <https://www.kqed.org/forum/2010101876192/coronavirus-deaths-rise-as-federal-officials-say-risk-to-public-is-low>
- <https://www.kqed.org/forum/2010101876125/california-prepares-for-possible-spread-of-coronavirus>
- https://www.aiha.org/public-resources/consumer-resources/coronavirus_outbreak_resources

Below are two links to obtain posters pertaining specifically to the COVID-19 Virus:

- English - <https://www.cdc.gov/coronavirus/2019-ncov/downloads/stop-the-spread-of-germs.pdf>
- Spanish - <https://www.cdc.gov/coronavirus/2019-ncov/downloads/stop-the-spread-of-germs-sp.pdf>